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Industrial Horizons



MONTANA: FRONTIER OF INDUSTRIAL OPPORTUNITY

Vol. 5—No. 1

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News Publication — Montana State Planning Board

in the news . . .

On the eve of the Western Governors' Conference, Albert D. Rosellini, governor of Washington, said Western states can cooperate as effectively in the attraction of new industries as they have in the field of reclamation.

X X X

Plans to build a one-million-dollar plywood plant just east of Livingston have been announced. The plant will be constructed near a Livingston lumber company recently sold to H. C. Mason and associates of Portland, Ore.

X X X

The Anaconda Company has announced an 11-million dollar development program, reopening two mines currently shut down. "With the right economic conditions and cooperation of labor, we will be able to complete this large development program within the next five years," Company Vice-President E. I. Renouard said.

X X X

A new building material called pozzolan soon will be produced by Treasurelight, Inc., at a plant located three miles north of Great Falls. Pozzolan is a cement replacement used in all types of cement work but particularly in massive structural jobs such as dams, large bridges and other similar projects.

X X X

Mountain States Telephone & Telegraph Co. will spend 14 million dollars on construction projects in Montana this year, Kenneth P. Todd, vice president and general manager announced.

X X X

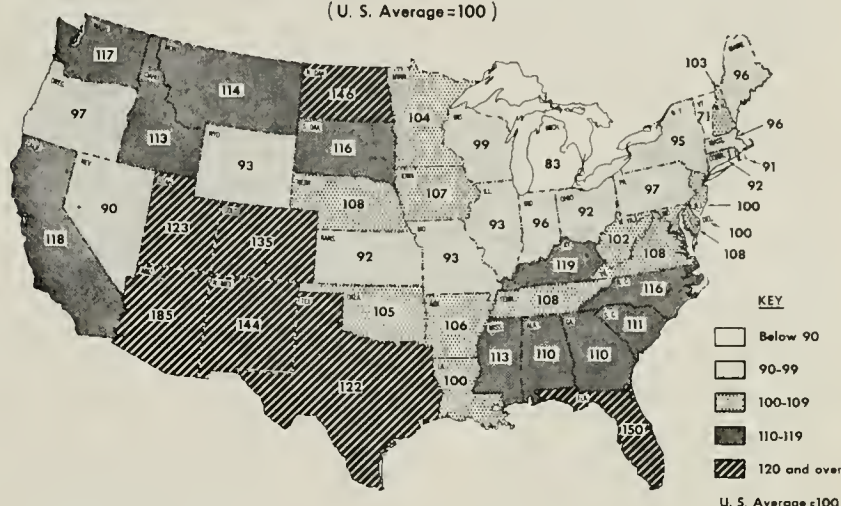
Construction of a new sawmill at Philipsburg began recently. Montana Forest Products expects the plant to be in operation Oct. 1, producing approximately 80,000 board feet of dimension lumber daily.

X X X

The May issue of "Sales Management" lists Missoula as one of the nation's 36 best markets for June, says it is "expected to exhibit business activity leadership in the coming month." "Sales Management" forecasts that business activity in Missoula will be 8 per cent higher than the national average.

INDEX OF CHANGES IN VALUE ADDED BY MANUFACTURE BY STATES: 1954-58

(U. S. Average=100)



U.S. DEPARTMENT OF COMMERCE
BUSINESS AND DEFENSE SERVICES ADMINISTRATION
Office of Area Development

Data: Bureau of the Census

Montana's Growth—

What the 1960 Census Shows

Montana's population is 668,022.

Preliminary 1960 census figures show a general trend of growth throughout the state, which had an official population of 591,024 in 1950. There were exceptions, however, most particularly in Silver Bow County.

The state's 17-county western congressional district showed a gain of 34,637 in the past 10 years. Its population is 270,111 now, as compared with 245,474 in 1950. The 39-county eastern congressional district, in the same period, showed a gain of 50,889—from 345,550 to 396,439.

First Class Cities

Biggest news, of course, was confirmation that Montana now has two cities—Great Falls (55,246) and Billings (54,295)—with more than 50,000 population. Great Falls' population in 1950 was 39,214; Billings had 31,834 residents.

There were six other first-class cities. (First class cities are those having more than 10,000 population). They are Butte, 27,534; Missoula, 26,948; Helena, 20,090; Bozeman, 13,250; Anaconda, 11,905; and Havre, 10,642. All except Butte showed an increase in population since 1950.

Butte's 1950 census figure was 33,251, a loss in the past 10 years of 5,717. Silver Bow County itself showed a loss of

2,368—from 48,422 in 1950 to 46,054 in 1960.

Kalispell missed first-class rating by only 228 residents, with a population of 9,965. However, city officials are forwarding affidavits to census officials which, if accepted, would bring Kalispell's population to 10,022.

Future Growth

What are the prospects for the future? The Feb. 29 issue of "U.S. News and World Report" lists Montana as one of 25 states which will grow faster than the United States as a whole. The nation is expected to see a 16.4% gain in its population by 1970; U.S. News predicts Montana will increase by 17.7 per cent.

Says the national magazine: "The center of the country's population will keep on shifting westward."

inside →

you will find stories about:

the successful lodgepole pine meeting sponsored by the Planning Board . . . advances in Montana's lumber industry . . . \$40,000 awarded the Planning Board for research to help your business.

SBA Grants Planning Board \$40,000 For Research Projects

A second \$40,000 grant has been awarded the Montana State Planning Board by the Small Business Administration.

This grant will be used to study small meat packing, mining and wood fabricating businesses in Montana, with work being done by Montana State College in Bozeman and the Montana School of Mines in Butte. Montana State University, Missoula, has submitted a proposed study for the 1961 SBA grant, and the Bureau of Business and Economic Research also is considering a proposal for our third application. These grants are awarded under section 7(d) of the Small Business Act.

1: Meat Packing Expansion

The first of the projects awarded under the recently announced grant will investigate possibilities for an increased number of successful small meat packing plants in Montana and will be conducted by Clive R. Harston, professor of agricultural economics at Montana State College.

"Research will be a study of changes that may influence the competitive position of small meat packers in Montana," Director E. O. Sowerwine said when he announced the award, "and can contribute to the wise development of the small meat packing business in this region."

2: Wood Fabricating Study

A study of small wood fabricating concerns in Montana also was approved for Montana State College. Project leader will be Bernard W. Hoyt, assistant professor of industrial engineering.

"This project will provide information to assist small wood fabricating concerns in Montana and this region not only to survive, but to grow," Sowerwine said. Expansion and diversification of concerns producing wood products such as cabinets and furniture will be evaluated. "One very desirable result of diversification by wood fabricating concerns would be reduction in seasonal employment, widespread in this area," Sowerwine added.

3: Small Mines Handbook

A third project, the compiling of a record-keeping handbook for small mining businesses, will be handled by Uno M. Sahinen, chief geologist, Montana Bureau of Mines and Geology at the Montana School of Mines.

The manual will include technical directions on obtaining and utilizing such information as amounts and grades of ores mined, costs of treating and mining ores, taxes accrued and prices received from various ores.

"There is a serious need for a simple system of record keeping for small mining businesses," Sowerwine said. "Most handbooks of record keeping have been written for big businesses rather than for the small mining enterprise."

4: Current Projects

Present research projects being conducted under a \$40,000 SBA grant awarded last year to the State Planning Board will be completed by October 15, 1960. Included are studies of small lead and zinc mining businesses, the expansion and diversification of small metalworking shops in Montana, training requirements

of small business, and research on small business success and failure in a natural resource economy.

The State Planning Board began work on Sept. 3, 1958, to obtain its first SBA grant. At that time the Board members approved conferences with various state institutions to arrange for cooperative research. Since the Board staff has had several meetings with the interested units of the Greater University of Montana, other educational institutions, and government agencies, to set up and select proposals for the SBA grant. The staff also coordinates and prepares financial and progress reports for the SBA.

When research is completed, reports will be available to interested companies and individuals.

Industries Concerned About Conservation

Responsible management has made Montana's industries more concerned about conservation, C. H. Raymond, State Planning Board member, told the Montana Conservation Council.

Raymond was one of five panel members addressing the annual conference of the Council, held in Hamilton, May 21. He presented the industrial viewpoint on the question, "What responsibilities do we have towards helping the public understand and solve its conservation problems?"

"Many millions of dollars have been spent by industry to prevent pollution and to promote conservation in Montana," Raymond said. He suggested the Conservation Council actively endorse and participate in efforts to attract the most desirable industries to Montana.

Salt Deposits Found In Glendive Area

Sodium chloride content in excess of 98 per cent has been found in Montana near Glendive.

Coupled with a large fuel reserve of lignite nearby, the deposits should someday be important as a possible source of commercial salt—though sodium chloride is a very abundant raw material located in many parts of the country.

The Truth About The Treasure State

Montana is one of several western states which suffer from preconceived notions regarding their suitability for industry. E. O. Sowerwine, Jr., State Planning Director, told the Consulting Engineers Council in Gearhart, Oregon, this month.

"Rely more on the State Planning Boards, or Industrial Development Agencies," he urged the group. "Many of them are getting to be technical, fact finding groups. They know of good labor areas and of other factors about which you will want the latest and most accurate data available."

"Montana is planning," Sowerwine continued. "It's planning for a progressive future. It has an amazingly long list of primary raw materials, second to none. It is among the lowest 6½ per cent cost-of-power states. Its fuel supply is abundant and low cost. Most of its labor is competitive in cost and highly productive."

Sowerwine listed several of what he called "preconceived notions" about Montana, pointing out for the group of consulting engineers what the situation actually is. These "notions" included:

Technical Data

1. Notion: Good technical data about the state is not available. Fact: "It is available, to at least a limited extent today," Sowerwine said.

2. Notion: Montana has severe labor problems. Fact: "Montana's labor is highly productive."

3. Notion: Montana's water situation is one of floods and shortages. Fact: "Montana has had no floods for many years and has ample water for even the heavy water using industries."

4. Notion: Montana's climate is disagreeable. Fact: "Montana has extreme temperature changes, but the dryness makes them more interesting than objectionable."

Technical Labor

5. Notion: Montana has a shortage of technical labor. Fact: "We have a pool of scientific men and engineers all over the USA, and many of them are ready to pack up and leave for Montana for a comparable job."

Sowerwine told the group that many millions of dollars have been wasted trying to get industry into non-economic locations.

"These promotions are still going on," he continued. "However, there is a greater realization among those responsible for their actions that location of industry is primarily a technical problem and secondarily one of promotion."

Plant design (including plant location) has been a field of engineering study for many years, and the larger, more progressive corporations have recognized its importance and located their plants only after proper study, Sowerwine added.

"Fewer companies today build a major addition or new plant without having a study made as to their 'probably best' location for maximum return on capital invested," he told the group.



Lodgepole Pine in Hyalite Canyon, south of Bozeman, photographed by Northern Pacific during last fall's timber tour.

A Timber Tour

(Advances and changes in Montana's lumber industry were seen first hand last fall by members of Northern Pacific's highly successful "Timber Tour." The following report was written for "Industrial Horizons" by John Willard, director of the Montana Railroad Association.)

By JOHN WILLARD

Fuller utilization of Montana's timber resources was the most striking phase of the state's timber development viewed by state and federal officials and leaders in the state's wood products industry.

As guests of the Northern Pacific Railway, Gov. J. Hugo Aronson, Rep. Lee Metcalf of the state's first district, together with state and federal forest officials and a large number of timber products processors, saw at first hand all stages from logging to loading for market.

Noted were these advances in the state's fast-growing timber processing:

Utilization of Chips

1. Heavy utilization of products that only a few years ago were sent to the trash burner. Principal example is chips, going from all parts of Montana to the new Waldorf-Hoerner pulp plant west of Missoula.

2. More efficient and economical use of large-size trees, which produce more dollar-wise at all stages when manufactured into plywood.

3. Harvesting of mature timber which, if not utilized, would soon become waste as it died or deteriorated in quality on the stump.

Selective Logging

4. Selective logging, which not only makes room for more rapid growth of trees for future use but which also makes available most-needed species for manufacturers with specialized needs.

5. Block-cutting to make maximum use of such species as lodgepole pine which cannot be selectively logged, and disease and insect-ridden stands which can be put to productive use. Experimental seeding to follow such cutting is under way with the purpose of replacing such stands and even to improve the species.

\$1,000,000 a Month

E. B. Stanton of St. Paul, Vice President, Executive Department of Northern Pacific, and senior rail official on the trip, called attention of the 32 tour members to the creation of 2,000 additional jobs in the timber industry in western Montana in the past 10 years, with an added monthly payroll of \$1,000,000. He said these new jobs have created another 8,000 jobs in other fields in that area, such as retail and wholesale services.

The Itinerary

The tour began with an inspection of lodgepole pine logging south of Bozeman on Northern Pacific lands. Visited next were the Yellowstone Pine Company mill at Belgrade and the Idaho Pole Company at Bozeman.

First stop on the second day was the Missoula White Pine Sash Company; the next visit was at Mission Homes, Inc. The party also viewed the first grading for the Vancouver Plywood Company plant and Waldorf-Hoerner pulp mill operations. Other industry stops: the Plum Creek Lumber Company plant at Pablo and Cascades Plywood Corporation.

The 'Weed' That Became Cinderella

The problems involved in utilizing lodgepole pine—a tree considered a "weed" as recently as 20 years ago—were discussed at a recent meeting called by the State Planning Board.

The all-day meeting, held May 16 in the Senate Chambers of the State Capitol, was attended by some 50 persons—loggers, sawmill operators, university professors, and representatives from the state and United States forest services and Northern Pacific Railway.

Said W. H. Johnson, assistant regional forester, during the afternoon session, "This has been a wonderful discussion. I'm learning every minute."

The Problems of Lodgepole

The problems of handling lodgepole (one of the lightest of the yellow pines and the third most extensive timber type in the western United States) were outlined in these ways:

By Johnson—Overstocking, diseases, insects and methods of logging.

"The problems involved in logging lodgepole pine can be overcome by proper management," he added.

By Edward S. Kotok, Intermountain Forest and Range Experiment Station, Ogden, Utah—"The problems, in order of importance, are logging, manufacturing and forestry. Lodgepole pine today is the 'Cinderella species' of the forest," Kotok said, "but in these areas research certainly is necessary."

By S. G. Merryman, manager, timber and western lands for Northern Pacific Railway Co.—"Two major problems are hampering the development of this timber: high logging cost due to the large number of small logs which must be handled, and the need for a market for the large volume of wood material which should be cut along with saw logs and poles. The solution to this problem, insofar as Northern Pacific's lands are con-

cerned, would be a pulp mill," Merryman said.

Merryman added that at one time land prices were reduced when it was found that the property was stocked with lodgepole. "Today this is not true; increased standards of utilization and new methods of logging, milling and market development have made much of this timber economically operable," he continued.

By Donald Corcoran, Corcoran Pulpwood, Bozeman—"The number one problem today is the cost of equipment."

Afternoon Discussion

During the afternoon discussion session, led by R. C. Setterstrom (chairman of the Planning Board's advisory council), these topics also were considered—cost and development of Forest Service roads, stumpage prices, the use of weight scales, multiple use of Forest Service lands, and research.

"When you have problems such as these we are discussing, you don't get anywhere writing letters," Johnson said.

Added Setterstrom, "What has transpired today is only 10 per cent of the benefit we hope will come from this meeting."

Scheduled speakers at the morning session were Johnson, Kotok, Merryman, Gareth C. Moon, State Forester, Missoula; W. C. Hodge, wood procurement manager of Waldorf-Hoerner Paper Products Co., and John Underwood of Montana Forest Products.

Growing Production

At the present time, lodgepole pine accounts for nearly one-half of the total lumber production in eastern Montana, though in 1956 it amounted to only 4.6 per cent of the total lumber production in the state.

The saw log production of lodgepole increased four times during the past decade, however.

Great Falls Chamber Forms Industrial Development Corporation

The formation of an Industrial Development Corporation in Great Falls was approved by the directors of the local Chamber of Commerce May 12.

Kenneth K. Knight, chairman of the Industrial Corporation Subcommittee, told the State Planning Board that such a corporation was needed to offer the best possible services to prospective industries which may desire to locate in the Great Falls area.

He said services of the corporation would include making industrial sites available at non-inflated values and assisting industries in solving site problems.

"In this way, we believe that we will have an efficient instrument for promoting the industrial expansion of our area," Knight added.

The corporation expects a long term need for a capitalization of \$500,000, but the initial goal will be only \$100,000. "We believe with this amount that we will be able to get the program going. As time goes on and needs develop, the additional will be raised," Knight explained.

He said the corporation would have five purposes:

1. To buy land suitable for industrial sites and hold it for lease or sale to prospective industries.
2. To build and lease industrial buildings.
3. To help existing industries wishing to expand.
4. To lend money to industries to expand their activities or create new ones.
5. To actively promote the location of industrial plants in the Great Falls area.

More than 25,000 brochures promoting Great Falls as an area for location of industrial sites are being mailed to industrial and commercial firms throughout the country by Great Northern Railway Co. The eight-page folder type brochure has a map of the city showing location of sites for possible industrial development.

An \$8,650 grant has been awarded the State Planning Board by the HHFA to assist with economic studies in Columbia Falls, Kalispell and Livingston.

A Cooperative Institute in Urban Planning will be held at the University of Tennessee in Knoxville, July 25 through Aug. 5, to train city or county employees who serve as the bridge between those doing technical planning and the city or county administration. "Cities and counties who are participating in the 701 program or are otherwise using consultants will greatly benefit by sending an appropriate employee," Howard K. Menhinick, Georgia Institute of Technology, says. The registration fee for the two-week Institute is \$150. For further information write the University of Tennessee Extension Division, Extension Building, Temple Avenue, Knoxville, Tenn.

this month at the Mitchell Building . . .

. . . Director E. O. Sowerwine left Montana May 20 to visit industrial leaders in the East. Sowerwine spent two weeks discussing Montana's industrial opportunities with businessmen in New York, New Jersey, Pennsylvania and Virginia. Also on the agenda—talks with officials of the Housing and Home Finance Agency, the Small Business Administration, and the Bureau of the Census in Washington, D. C.

. . . Ed Granger, service engineer, has resigned from the staff of the State Planning Board, effective June 10. Granger, who joined the staff in October of last year, will go to Fort Benning, Ga., for OCS training preparatory to Army flight training as a liaison pilot.

. . . David K. Hartley, formerly assistant director of the State Planning Board, is now with the Federal Office of Area Development in Washington, D. C. Hartley's resignation was effective Dec. 18.

. . . Mrs. Lydia Blanchard joined the staff of the Planning Board April 25. Mrs. Blanchard's duties include editing "Industrial Horizons."

MONTANA STATE PLANNING BOARD

Sam Mitchell Building

Helena, Montana

Reports on business concerns appearing in this publication do not constitute an endorsement of either the concern named or its products. Statements in this News-letter do not reflect Board policy unless official action is reported.

Industrial Horizons . . .

Published monthly and distributed free of charge. Names will be placed on the mailing list upon request.

✓ checklist

(News of recent books, magazine articles and movies which will be of help or interest to your development program.)

Industrial zoning problems in your community? You may want to schedule the State Planning Board's newest addition to its film library, "Blueprint for Progress," for the next meeting of your civic or professional club.

The producers of this 25-minute film (16 mm., color and sound) say "Blueprint for Progress" tells how a well-planned, modern industrial area can have "the air of a college campus, an asset in any community." It discusses why industry is needed for healthy community growth and how modern industry can raise, not lower, property values.

Based on the principles of the National Industrial Zoning Committee, "Blueprint for Progress" also explains the planned industrial park and trends toward performance standards in zoning ordinances.

And have you seen our other films? They are "The Hugo Story," the story of industrial development in a small Oklahoma community; "Gold Mine on Main Street," which discusses the benefits of industrial development, and "Now for Tomorrow," the story of metropolitan planning in Atlanta.

These films are available, free of charge to interested groups. Write the Montana State Planning Board, Sam W. Mitchell Bldg., Helena.

The March, 1960 issue of "Pulp and Paper" features the chemical pulp plant of Waldorf-Hoerner Paper Products Co., Missoula. Writes "Pulp and Paper" editor Albert W. Wilson, "The 'Treasure State,' famed for its miners, cattlemen, sheepmen and wheat farmers, has discovered a new kind of treasure—pulp and paper."

Wilson praised Waldorf-Hoerner, saying: "Not only is (their) original chemical pulp making unit the first of its kind, it may very well prove to be 'a mill of the future.' The paper mill also will have unusual features, at least one or two of which have never been tried before."

Montana's first pulp and paper plant also is the subject of an article in the March-April issue of "The Northwest," publication of the Northern Pacific Railway Company. The same issue of "The Northwest" also features Vancouver Plywood Company, its new firm, Van-Evan, and their Missoula plywood mill.

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